

# **EXHIBIT F**

**MINUTES OF THE  
SENATE COMMITTEE ON COMMERCE AND LABOR**

**Seventieth Session  
March 8, 1999**

The Senate Committee on Commerce and Labor was called to order by Chairman Randolph J. Townsend, at 9:40 a.m., on Monday, March 8, 1999, in Room 2135 of the Legislative Building, Carson City, Nevada. Exhibit A is the Agenda. Exhibit B is the Attendance Roster. All exhibits are available and on file at the Research Library of the Legislative Counsel Bureau.

**COMMITTEE MEMBERS PRESENT:**

Senator Randolph J. Townsend, Chairman  
Senator Ann O'Connell, Vice Chairman  
Senator Mark Amodei  
Senator Dean A. Rhoads  
Senator Raymond C. Shaffer  
Senator Michael A. (Mike) Schneider  
Senator Maggie Carlton

**STAFF MEMBERS PRESENT:**

Scott Young, Committee Policy Analyst  
Kathryn Lawrence, Committee Secretary

**OTHERS PRESENT:**

Frederick Schmidt, Chief Deputy Attorney General, Bureau of Consumer Protection, Office of the Attorney General  
Kate Marshall, Senior Deputy Attorney General, Bureau of Consumer Protection, Office of the Attorney General  
James F. Nadeau, Lobbyist, Captain, Washoe County Sheriff's Office  
Debra Carr, Chief Records Clerk, Washoe County Sheriff's Office  
Amy Halley Hill, Lobbyist, Nevada Self-Insurers Association  
Roger Bremner, Administrator, Division of Industrial Relations, Department of Business and Industry  
Nancy Wong, Division Counsel, Division of Industrial Relations, Department of Business and Industry  
Lenard Ormsby, General Counsel, Employers Insurance Company of Nevada  
Thomas G. Stamos, Lobbyist, Workers Compensation Consultants Incorporated

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Barbara Gruenewald, Attorney, Nevada Trial Lawyers Association  
Donna Sweger, Supervising Attorney, Nevada Attorney for Injured Workers,  
Department of Business and Industry  
Scott M. Craigie, Lobbyist, Liberty Mutual Insurance Group  
Fred L. Hillerby, Lobbyist, Associated Pathologists Laboratories  
Robert A. Ostrovsky, Lobbyist, American Toxicology Institute  
Dan R. Berkable, Lobbyist, American Toxicology Institute  
W. Craig Brown, Toxicology Laboratory, Manager, Associated Pathologists  
Laboratories  
Jack Kim, Lobbyist, Sierra Insurance Group  
Magda Karpuk, Director, National Council on Compensation Insurance  
Daryl E. Capurro, Lobbyist, Nevada Motor Transport Association

Chairman Townsend opened the meeting with Assembly Bill (A.B.) 108.

**ASSEMBLY BILL 108:** Makes various changes regarding civil actions relating to  
unfair trade practices. (BDR 52-290)

Frederick Schmidt, Chief Deputy Attorney General, Bureau of Consumer Protection, Office of the Attorney General, stated his office drafted this bill. He stated since there had been no antitrust laws in the state there needed to be a statute that was current. He explained this bill is for the General Fund money that the antitrust unit receives which can also keep the unit functioning. He explained in section 1, subsection 2, paragraph (a), there is a modification of statutes so that recoveries received between bienniums would be allowed to be used by the unit for the purpose of antitrust activities. He clarified that section 3, subsection 3 removes a cap that had been in legislation when it was first adopted that prevented a specific amount of money from being exceeded. He justified there would not be an impact in the General Fund and emphasized this would provide more money in the interim, which would make it possible to pursue more antitrust cases.

Kate Marshall, Senior Deputy Attorney General, Bureau of Consumer Protection, Office of the Attorney General, pointed out the way the statutes are currently written, it is probable that indirect purchasers could not have an antitrust remedy in court. She emphasized if there were two manufacturers that manufactured orange juice and sold the orange juice to a chain of distribution, then the consumer would buy the orange juice. She stressed if those manufacturers fixed the price on the orange juice to raise the price of the

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orange juice, the consumer as an indirect purchaser from the grocery store could not bring an antitrust action for paying too high a price for orange juice. She explained because it was purchased from the grocery store and not from the manufacturer, the consumer would not have a claim. She stated, for example, in April 1995, a private law firm brought a case against infant formula manufacturers who had price fixed an infant formula. The law firm was denied the ability to bring that suit in Nevada because the people who bought the infant formula were indirect purchasers; which is similar to customers who buy orange juice at the grocery store would be indirect purchasers. She declared a number of states have recently filed a case against generic drug manufacturers for increasing the price of generic drugs. She stressed that Nevada cannot participate in that case because the drug manufacturers do not sell directly to the consumer.

SENATOR O'CONNELL MOVED TO DO PASS A.B. 108.

SENATOR SCHNEIDER SECONDED THE MOTION.

THE MOTION CARRIED UNANIMOUSLY.

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The Chairman closed the hearing on A.B. 108 and opened the hearing on A.B. 115.

**ASSEMBLY BILL 115:** Extends date of expiration of permit to operate as locksmith or safe mechanic. (BDR 54-562)

James F. Nadeau, Lobbyist, Captain, Washoe County Sheriff's Office, stressed the change in the law is to extend the permit from 1 year to 5 years on the renewal.

Debra Carr, Chief Records Clerk, Washoe County Sheriff's Office, stated the sheriff's office is in favor of this bill to achieve standardizing of the work permits, including fingerprinting the applicants each time they apply for a locksmith permit. She defined if a locksmith is arrested afterwards, his/her permit could be revoked at that time instead of the sheriff's office having to wait for their 5-year renewal. She stated this bill would also allow the applicant to pay a one-time charge every 5 years.